

SENATE BILL 699

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C7

2003 Regular Session
3r2437
CF HB 78

By: **Senator Currie**

Introduced and read first time: February 19, 2003

Rules suspended

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Public Education - Funding - Video Lottery Terminals - Revenues and**
3 **Operations**

4 FOR the purpose of requiring the State Lottery Commission to regulate the operation
5 of certain video lottery terminals; providing that only a person with a certain
6 video lottery facility license may offer a video lottery terminal for public use in
7 the State; providing that certain laws do not apply to video lottery terminals
8 authorized under this Act; establishing certain eligibility criteria and
9 disqualifying criteria for a video lottery facility license; requiring the
10 Commission to issue a certain number of video lottery facility licenses to holders
11 of a license for a racetrack; requiring the Commission to issue video lottery
12 facility licenses in a certain number of different regions of the State; prohibiting
13 the Commission from issuing certain licenses under certain circumstances;
14 requiring the Commission to use a certain competitive process to select
15 applicants to be issued a video lottery facility license; authorizing the
16 Commission to conduct certain investigations and hearings; specifying limits on
17 the number of video lottery terminals allowed at certain facilities; requiring
18 certain video lottery terminal manufacturers, video lottery operators, video
19 lottery employees, and service technicians to be licensed; providing for certain
20 eligibility criteria and disqualifying criteria for certain licenses; requiring the
21 Commission to buy or lease the video lottery terminals, associated equipment,
22 and central computer authorized under this Act; authorizing the Commission to
23 reprimand a licensee or deny, suspend, or revoke certain licenses under certain
24 circumstances; authorizing the Commission to collect certain fees, civil
25 penalties, and taxes; requiring the Commission to adopt certain regulations;
26 requiring the Commission to distribute certain moneys in specified ways;
27 providing for certain local development grants; authorizing the Maryland
28 Stadium Authority, for capital improvement projects of a certain amount or more
29 financed directly or indirectly with proceeds from video lottery terminals, to
30 manage the project; creating an Education Trust Fund; requiring certain
31 distributions from video lottery proceeds to the Education Trust Fund;
32 authorizing the appropriation of moneys from the Education Trust Fund for
33 certain education programs; providing for a certain distribution from video
34 lottery proceeds to the Purse Dedication Account for horse racing; providing for

1 certain distributions from the Purse Dedication Account for horse racing;
2 providing for a certain distribution from certain fees to the Compulsive
3 Gambling Fund; creating a Compulsive Gambling Fund in the Department of
4 Health and Mental Hygiene; providing for certain disbursements from the
5 Compulsive Gambling Fund for certain purposes; requiring the State Lottery
6 Commission to establish a certain electronic payment system and to account to
7 the Comptroller for certain revenue and expenditures; authorizing the State
8 Lottery Commission to consider an application for a video lottery facility license
9 only if the governing body of the county adopts a certain resolution and certain
10 contingencies related to a special election are satisfied; authorizing the
11 Maryland Stadium Authority to enter into contracts for projects for the
12 construction, renovation, remodeling, or repair of certain facilities; making the
13 provisions of this Act severable; defining certain terms; and generally relating to
14 the operation of video lottery terminals at certain locations in the State.

15 BY adding to

16 Article - State Government
17 Section 9-1A-01 through 9-1A-14 to be under the new subtitle "Subtitle 1A.
18 Video Lottery Terminals"
19 Annotated Code of Maryland
20 (1999 Replacement Volume and 2002 Supplement)

21 BY adding to

22 Article - Financial Institutions
23 Section 13-709.1
24 Annotated Code of Maryland
25 (1998 Replacement Volume and 2002 Supplement)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
27 MARYLAND, That the Laws of Maryland read as follows:

28 **Article - State Government**

29 **SUBTITLE 1A. VIDEO LOTTERY TERMINALS.**

30 9-1A-01.

31 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
32 INDICATED.

33 (B) "APPLICANT" MEANS A PERSON WHO APPLIES FOR ANY LICENSE
34 REQUIRED UNDER THIS SUBTITLE.

35 (C) "ASSOCIATED EQUIPMENT" MEANS HARDWARE LOCATED ON THE
36 LICENSEE'S PREMISES THAT IS CONNECTED TO THE VIDEO LOTTERY SYSTEM FOR
37 THE PURPOSE OF PERFORMING COMMUNICATION, VALIDATION, OR OTHER
38 FUNCTIONS, BUT NOT INCLUDING THE COMMUNICATION FACILITIES OF A
39 REGULATED UTILITY OR THE VIDEO LOTTERY TERMINALS.

1 (D) "BACKGROUND INVESTIGATION" MEANS A SECURITY, CRIMINAL, AND
2 CREDIT INVESTIGATION OF A PERSON WHO APPLIES FOR OR WHO IS GRANTED A
3 LICENSE UNDER THIS SUBTITLE.

4 (E) "CAREER OFFENDER" MEANS A PERSON WHOSE BEHAVIOR IS PURSUED IN
5 AN OCCUPATIONAL MANNER OR CONTEXT FOR THE PURPOSE OF ECONOMIC GAIN
6 THAT UTILIZES METHODS THAT ARE CONSIDERED BY THE COMMISSION AS
7 CRIMINAL VIOLATIONS OF THE PUBLIC POLICY OF THE STATE.

8 (F) "CAREER OFFENDER CARTEL" MEANS A GROUP OF PERSONS WHO
9 OPERATE TOGETHER AS CAREER OFFENDERS.

10 (G) "CENTRAL COMPUTER" MEANS A CENTRAL SITE COMPUTER PROVIDED TO
11 AND CONTROLLED BY THE COMMISSION TO WHICH VIDEO LOTTERY TERMINALS
12 COMMUNICATE FOR PURPOSES OF:

13 (1) INFORMATION RETRIEVAL; AND

14 (2) PROGRAMS TO ACTIVATE AND DISABLE VIDEO LOTTERY TERMINALS.

15 (H) "COMMISSION" MEANS THE STATE LOTTERY COMMISSION.

16 (I) "CONTROL" MEANS THE AUTHORITY TO DIRECT THE MANAGEMENT AND
17 POLICIES OF AN APPLICANT OR LICENSEE.

18 (J) "COSTS" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE
19 EXPENSES INCURRED BY THE COMMISSION IN THE ADMINISTRATION OF THIS
20 SUBTITLE, INCLUDING:

21 (1) THE COSTS OF LEASING, OR THE CAPITALIZED COST OF
22 PURCHASING, THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND
23 CENTRAL COMPUTER;

24 (2) THE COSTS TO REPAIR AND MAINTAIN THE VIDEO LOTTERY
25 TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER TO THE EXTENT
26 THESE COSTS ARE NOT INCLUDED IN THE COSTS OF LEASING OR PURCHASING THE
27 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER;

28 (3) THE COSTS OF TESTING AND EXAMINATION OF VIDEO LOTTERY
29 TERMINALS; AND

30 (4) THE COSTS OF PERFORMING OF BACKGROUND INVESTIGATIONS
31 AND OTHER RELATED ACTIVITIES.

32 (K) "COUNTY" INCLUDES BALTIMORE CITY.

33 (L) "FAMILY" MEANS A SPOUSE, PARENT, GRANDPARENT, CHILD,
34 GRANDCHILD, SIBLING, UNCLE, AUNT, NEPHEW, NIECE, FATHER-IN-LAW,
35 MOTHER-IN-LAW, DAUGHTER-IN-LAW, SON-IN-LAW, BROTHER-IN-LAW, AND

1 SISTER-IN-LAW, WHETHER BY WHOLE OR HALF BLOOD, BY MARRIAGE, ADOPTION,
2 OR NATURAL RELATIONSHIP.

3 (M) (1) "LICENSEE" MEANS AN APPLICANT THAT HAS BEEN ISSUED A VIDEO
4 LOTTERY FACILITY LICENSE.

5 (2) "LICENSEE" INCLUDES, UNLESS THE CONTEXT OTHERWISE
6 REQUIRES, AN APPLICANT WHO HAS BEEN ISSUED ANY LICENSE REQUIRED UNDER
7 THIS SUBTITLE.

8 (N) "MANUFACTURER" MEANS A PERSON:

9 (1) THAT HOLDS A LICENSE ISSUED BY THE COMMISSION TO ENGAGE IN
10 THE BUSINESS OF DESIGNING, BUILDING, CONSTRUCTING, ASSEMBLING,
11 MANUFACTURING, OR DISTRIBUTING A CENTRAL COMPUTER, VIDEO LOTTERY
12 TERMINALS, ASSOCIATED EQUIPMENT, THE ELECTRONIC COMPUTER COMPONENTS
13 OF VIDEO LOTTERY TERMINALS, THE RANDOM NUMBER GENERATOR OF VIDEO
14 LOTTERY TERMINALS, OR THE CABINET IN WHICH A VIDEO LOTTERY TERMINAL IS
15 HOUSED;

16 (2) THAT PRODUCES A PRODUCT THAT IS INTENDED FOR SALE, LEASE,
17 OR OTHER ASSIGNMENT TO A LICENSEE OR THE COMMISSION; AND

18 (3) THAT CONTRACTS WITH THE LICENSEE OR THE COMMISSION FOR
19 THE SALE, LEASE, OR OTHER ASSIGNMENT.

20 (O) "NET PROCEEDS" MEANS THE PROCEEDS LESS THE COSTS INCURRED BY
21 THE COMMISSION IN ADMINISTERING THIS SUBTITLE.

22 (P) "OWN" MEANS HAVING A BENEFICIAL OR PROPRIETARY INTEREST, OF AT
23 LEAST A CERTAIN PERCENTAGE ESTABLISHED BY THE COMMISSION, IN THE
24 PROPERTY OR BUSINESS OF AN APPLICANT OR LICENSEE.

25 (Q) "PLAYER" MEANS AN INDIVIDUAL WHO PLAYS A VIDEO LOTTERY
26 TERMINAL AT A VIDEO LOTTERY FACILITY LICENSED BY THE COMMISSION.

27 (R) "PROCEEDS" MEANS THE PART OF THE AMOUNT OF MONEY BET THROUGH
28 VIDEO LOTTERY TERMINALS THAT IS NOT RETURNED TO SUCCESSFUL PLAYERS BUT
29 IS OTHERWISE ALLOCATED UNDER THIS SUBTITLE.

30 (S) "SERVICE TECHNICIAN" MEANS A PERSON WHO IS LICENSED BY THE
31 COMMISSION AND PERFORMS SERVICE, MAINTENANCE, OR REPAIR ON LICENSED
32 VIDEO LOTTERY TERMINALS.

33 (T) "VIDEO LOTTERY" MEANS GAMING OR BETTING CONDUCTED USING A
34 VIDEO LOTTERY TERMINAL APPROVED BY THE COMMISSION UNDER THIS SUBTITLE.

35 (U) "VIDEO LOTTERY EMPLOYEE" MEANS AN EMPLOYEE, OF A PERSON THAT
36 HOLDS A VIDEO LOTTERY FACILITY LICENSE, WHO PARTICIPATES IN THE VIDEO
37 LOTTERY OPERATIONS.

1 (V) (1) "VIDEO LOTTERY TERMINAL" MEANS ANY ELECTRONIC
2 CONTRIVANCE, MACHINE, OR OTHER DEVICE THAT, ON INSERTION OF A COIN,
3 TOKEN, OR SIMILAR OBJECT OR ON PAYMENT OF ANY CONSIDERATION, IS
4 AVAILABLE TO PLAY OR SIMULATE THE PLAY OF A VIDEO GAME, LIMITED TO A VIDEO
5 SLOT MACHINE GAME ONLY, AUTHORIZED BY THE COMMISSION WHICH, BY
6 APPLICATION OF THE ELEMENT OF CHANCE MAY DELIVER OR ENTITLE THE PLAYER
7 WHO OPERATES THE DEVICE TO RECEIVE CASH, PREMIUMS, MERCHANDISE,
8 TOKENS, OR ANYTHING OF VALUE, WHETHER THE PAYOUT IS MADE
9 AUTOMATICALLY FROM THE DEVICE OR IN ANY OTHER MANNER.

10 (2) "VIDEO LOTTERY TERMINAL" DOES NOT INCLUDE AN AUTHORIZED
11 SLOT MACHINE OPERATED BY AN ELIGIBLE ORGANIZATION UNDER TITLE 12,
12 SUBTITLE 3 OF THE CRIMINAL LAW ARTICLE.

13 9-1A-02.

14 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, NOTHING
15 CONTAINED IN THIS SUBTITLE MAY BE CONSTRUED AS AUTHORIZING ANY
16 ADDITIONAL FORMS OR EXPANSION OF COMMERCIAL GAMING OTHER THAN AS
17 EXPRESSLY PROVIDED IN THIS SUBTITLE.

18 (B) THIS SECTION DOES NOT APPLY TO:

19 (1) LOTTERIES CONDUCTED UNDER SUBTITLE 1 OF THIS TITLE;

20 (2) WAGERING ON HORSE RACING CONDUCTED UNDER TITLE 11 OF THE
21 BUSINESS REGULATION ARTICLE; OR

22 (3) GAMING CONDUCTED BY A BONA FIDE FRATERNAL, CIVIC, WAR
23 VETERANS', RELIGIOUS, OR CHARITABLE ORGANIZATION, VOLUNTEER FIRE
24 COMPANY, OR SUBSTANTIALLY SIMILAR ORGANIZATION DESCRIBED UNDER TITLE 13
25 OF THE CRIMINAL LAW ARTICLE.

26 9-1A-03.

27 (A) THE COMMISSION SHALL REGULATE THE OPERATION OF VIDEO LOTTERY
28 TERMINALS IN ACCORDANCE WITH THIS SUBTITLE.

29 (B) ONLY A PERSON WITH A VIDEO LOTTERY FACILITY LICENSE ISSUED BY
30 THE COMMISSION MAY OFFER A VIDEO LOTTERY TERMINAL FOR PUBLIC USE IN THE
31 STATE UNDER THIS SUBTITLE.

32 (C) ANY OTHER LAW THAT PROHIBITS THE LOCATION, POSSESSION, KEEPING,
33 MAINTAINING, OR OPERATION OF VIDEO LOTTERY TERMINALS DOES NOT APPLY TO
34 VIDEO LOTTERY TERMINALS AUTHORIZED IN ACCORDANCE WITH THIS SUBTITLE.

35 9-1A-04.

36 (A) IN ADDITION TO ANY OTHER REQUIREMENTS OF THIS SUBTITLE, TO
37 QUALIFY FOR A VIDEO LOTTERY FACILITY LICENSE, AN APPLICANT MUST BE A

1 HOLDER OF A LICENSE ISSUED BY THE STATE RACING COMMISSION FOR A TRACK
2 FOR MILE THOROUGHBRED RACING OR HARNESS RACING.

3 (B) THE COMMISSION SHALL ISSUE UP TO FOUR VIDEO LOTTERY FACILITY
4 LICENSES TO HOLDERS OF A LICENSE FOR A RACETRACK ISSUED BY THE STATE
5 RACING COMMISSION AS SPECIFIED IN SUBSECTION (A) OF THIS SECTION.

6 (C) THE COMMISSION MAY NOT ISSUE:

7 (1) MORE THAN FOUR VIDEO LOTTERY FACILITY LICENSES FOR USE
8 CONCURRENTLY;

9 (2) MORE THAN ONE VIDEO LOTTERY FACILITY LICENSE TO AN
10 APPLICANT TO OPERATE IN THE SAME REGION OF THE STATE; OR

11 (3) A VIDEO LOTTERY FACILITY LICENSE FOR ANY LOCATION ON STATE
12 PROPERTY.

13 (D) AN APPLICANT FOR A VIDEO LOTTERY FACILITY LICENSE SHALL MEET
14 THE FOLLOWING ELIGIBILITY REQUIREMENTS BY CLEAR AND CONVINCING
15 EVIDENCE:

16 (1) THE CONSTRUCTION PROJECT AT THE TRACK LOCATION FOR THE
17 APPLICANT'S VIDEO LOTTERY AND OTHER FACILITIES SHALL COST AT LEAST
18 \$100,000,000 IN DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND
19 RELATED COSTS AT THE TRACK LOCATION;

20 (2) THE APPLICANT SHALL PROVIDE THE EQUIVALENT OF AT LEAST 150
21 ADDITIONAL FULL-TIME JOBS AT THE TRACK LOCATION FOR WHICH THE VIDEO
22 LOTTERY FACILITY LICENSE IS SOUGHT; AND

23 (3) THE APPLICANT SHALL PROVIDE EVIDENCE THAT THE INITIAL
24 LICENSING FEE OF \$125 MILLION REQUIRED BY § 9-1A-07(A)(6) OF THIS SUBTITLE
25 CAN BE PAID IMMEDIATELY ON ISSUANCE OF A LICENSE BY THE COMMISSION.

26 9-1A-05.

27 (A) THE COMMISSION SHALL SELECT APPLICANTS TO BE ISSUED A VIDEO
28 LOTTERY FACILITY LICENSE USING A COMPETITIVE PROCESS.

29 (B) EACH APPLICANT FOR A LICENSE SHALL SUBMIT TO THE CHAIRMAN OF
30 THE COMMISSION AN APPLICATION:

31 (1) IN THE FORM THAT THE COMMISSION REQUIRES; AND

32 (2) ON OR BEFORE THE DATE SET BY THE COMMISSION.

33 (C) (1) EACH APPLICANT OR LICENSEE HAS THE AFFIRMATIVE
34 RESPONSIBILITY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE
35 APPLICANT'S OR LICENSEE'S QUALIFICATIONS.

1 (2) EACH APPLICANT OR LICENSEE SHALL PROVIDE INFORMATION
2 REQUIRED BY THIS SUBTITLE AND SATISFY REQUESTS FOR INFORMATION RELATING
3 TO QUALIFICATIONS IN THE FORM SPECIFIED BY THE COMMISSION.

4 (3) EACH APPLICANT OR LICENSEE SHALL CONSENT TO INSPECTIONS,
5 SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR REGULATIONS
6 ISSUED UNDER THIS SUBTITLE.

7 (4) (I) EACH APPLICANT OR LICENSEE HAS THE CONTINUING DUTY
8 TO:

9 1. PROVIDE ASSISTANCE OR INFORMATION REQUIRED BY
10 THE COMMISSION; AND

11 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR
12 HEARING CONDUCTED BY THE COMMISSION.

13 (II) ON ISSUANCE OF A FORMAL REQUEST TO ANSWER OR
14 PRODUCE INFORMATION, EVIDENCE, OR TESTIMONY, IF AN APPLICANT OR LICENSEE
15 REFUSES TO COMPLY, THE APPLICATION OR LICENSE OF THE PERSON MAY BE
16 DENIED, SUSPENDED, OR REVOKED BY THE COMMISSION.

17 (5) EACH APPLICANT SHALL BE PHOTOGRAPHED AND FINGERPRINTED
18 FOR IDENTIFICATION AND INVESTIGATION PURPOSES UNDER PROCEDURES
19 ESTABLISHED IN REGULATIONS THAT SHALL BE ISSUED BY THE COMMISSION.

20 (6) (I) EACH APPLICANT OR LICENSEE HAS A DUTY TO INFORM THE
21 COMMISSION OF AN ACT OR OMISSION THAT THE PERSON BELIEVES CONSTITUTES A
22 VIOLATION OF THIS SUBTITLE OR THE REGULATIONS ISSUED UNDER THIS SUBTITLE.

23 (II) AN APPLICANT OR LICENSEE MAY NOT DISCRIMINATE AGAINST
24 A PERSON WHO INFORMS THE COMMISSION OF AN ACT OR OMISSION THAT THE
25 PERSON BELIEVES CONSTITUTES A VIOLATION OF THIS SUBTITLE OR THE
26 REGULATIONS ISSUED UNDER THIS SUBTITLE.

27 (7) EACH APPLICANT OR LICENSEE SHALL PRODUCE INFORMATION,
28 DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE FOLLOWING
29 QUALIFICATION CRITERIA BY CLEAR AND CONVINCING EVIDENCE:

30 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY
31 OF THE APPLICANT OR LICENSEE;

32 (II) THE INTEGRITY OF THE FINANCIAL BACKERS, INVESTORS,
33 MORTGAGEES, BONDHOLDERS, AND HOLDERS OF OTHER EVIDENCES OF
34 INDEBTEDNESS THAT BEAR A RELATION TO THE APPLICATION;

35 (III) THE APPLICANT'S OR LICENSEE'S GOOD CHARACTER, HONESTY,
36 AND INTEGRITY;

1 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE
2 APPLICANT OR LICENSEE;

3 (V) THE SUITABILITY OF THE VIDEO LOTTERY FACILITY AND ITS
4 LOCATION;

5 (VI) THE GOOD FAITH EFFORTS OF THE APPLICANT OR LICENSEE
6 TO PROVIDE FOR OWNERSHIP WITH INDICATION OF PERCENTAGE AND TYPE, SUCH
7 AS EQUITY PARTNER OR SPECIFIC PERCENTAGE SHAREHOLDER, BY MINORITY
8 INDIVIDUALS, WOMEN, AND BUSINESS ENTITIES OWNED BY MINORITY INDIVIDUALS
9 OR BY WOMEN; AND

10 (VII) A. FOR THE CONSTRUCTION OF FACILITIES AND
11 PROCUREMENT RELATED TO THE OPERATION OF VIDEO LOTTERY TERMINALS, THE
12 APPLICANT SHALL, AT A MINIMUM, MEET THE SAME REQUIREMENTS OF A
13 DESIGNATED UNIT FOR MINORITY BUSINESS PARTICIPATION DESCRIBED UNDER
14 TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; AND

15 B. IF THE COUNTY IN WHICH A VIDEO LOTTERY FACILITY
16 WILL BE LOCATED HAS HIGHER MINORITY BUSINESS PARTICIPATION
17 REQUIREMENTS THAN THE STATE AS DESCRIBED IN ITEM A OF THIS ITEM, THE
18 APPLICANT SHALL TO THE EXTENT POSSIBLE MEET THE COUNTY'S MINORITY
19 BUSINESS PARTICIPATION REQUIREMENTS.

20 (8) IN ADDITION TO OTHER INFORMATION REQUIRED BY THIS
21 SUBTITLE, A CORPORATION APPLYING FOR A VIDEO LOTTERY FACILITY LICENSE
22 SHALL PROVIDE THE FOLLOWING INFORMATION:

23 (I) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF
24 ALL BUSINESSES OPERATED BY THE CORPORATION;

25 (II) THE NAMES, PERSONAL EMPLOYMENT, AND CRIMINAL
26 HISTORIES OF OFFICERS, DIRECTORS, AND PRINCIPAL EMPLOYEES OF THE
27 CORPORATION;

28 (III) THE NAMES OF ALL HOLDING, INTERMEDIARY, AND
29 SUBSIDIARY COMPANIES OF THE CORPORATION;

30 (IV) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF
31 ALL BUSINESSES OPERATED BY THE CORPORATION'S HOLDING, INTERMEDIARY, AND
32 SUBSIDIARY COMPANIES;

33 (V) THE RIGHTS AND PRIVILEGES ACQUIRED BY THE HOLDERS OF
34 DIFFERENT CLASSES OF AUTHORIZED SECURITIES OF THE CORPORATION AND ITS
35 HOLDING, INTERMEDIARY, AND SUBSIDIARY COMPANIES;

36 (VI) THE TERMS ON WHICH THE SECURITIES HAVE BEEN OR ARE TO
37 BE OFFERED;

1 (VII) THE TERMS AND CONDITIONS OF ALL OUTSTANDING LOANS,
2 MORTGAGES, TRUST DEEDS, PLEDGES, OR OTHER INDEBTEDNESS OR SECURITY
3 DEVICES UTILIZED BY THE CORPORATION;

4 (VIII) THE EXTENT OF THE EQUITY SECURITY HOLDING IN THE
5 CORPORATION OF THE OFFICERS, DIRECTORS, AND UNDERWRITERS AND THEIR
6 REMUNERATION IN THE FORM OF SALARY, WAGES, FEES, OR OTHERWISE;

7 (IX) THE NAMES OF INDIVIDUALS OTHER THAN DIRECTORS AND
8 OFFICERS WHO OCCUPY POSITIONS SPECIFIED BY THE COMMISSION OR WHOSE
9 COMPENSATION EXCEEDS AN AMOUNT DETERMINED BY THE COMMISSION;

10 (X) THE NAMES OF PERSONS WHO OWN OR CONTROL THE
11 CORPORATION;

12 (XI) A DESCRIPTION OF ALL BONUS AND PROFIT-SHARING
13 ARRANGEMENTS;

14 (XII) COPIES OF MANAGEMENT AND SERVICE CONTRACTS; AND

15 (XIII) A LISTING OF STOCK OPTIONS.

16 (9) IF A CORPORATION THAT APPLIES FOR A VIDEO LOTTERY FACILITY
17 LICENSE IS, OR IF A CORPORATION HOLDING A VIDEO LOTTERY FACILITY LICENSE IS
18 TO BECOME, A SUBSIDIARY, EACH HOLDING COMPANY AND EACH INTERMEDIARY
19 COMPANY WITH RESPECT TO THE CORPORATION SHALL, AS A CONDITION OF THE
20 SUBSIDIARY ACQUIRING OR RETAINING A VIDEO LOTTERY FACILITY LICENSE:

21 (I) QUALIFY TO DO BUSINESS IN THIS STATE;

22 (II) IF IT IS A CORPORATION, FURNISH THE COMMISSION WITH THE
23 INFORMATION REQUIRED OF A CORPORATE APPLICANT SPECIFIED IN PARAGRAPH (8)
24 OF THIS SUBSECTION AND OTHER INFORMATION THAT THE COMMISSION MAY
25 REQUIRE; OR

26 (III) IF IT IS NOT A CORPORATION, FURNISH THE COMMISSION WITH
27 THE INFORMATION THE COMMISSION MAY REQUIRE.

28 (10) A NONCORPORATE APPLICANT FOR A VIDEO LOTTERY FACILITY
29 LICENSE SHALL PROVIDE THE INFORMATION REQUIRED UNDER PARAGRAPH (8) OF
30 THIS SUBSECTION IN THE FORM REQUIRED BY THE COMMISSION.

31 (11) THE COMMISSION SHALL DENY A VIDEO LOTTERY FACILITY LICENSE
32 TO AN APPLICANT WHO IS DISQUALIFIED ON THE BASIS OF ANY OF THE FOLLOWING
33 CRITERIA:

34 (I) FAILURE OF THE APPLICANT TO PROVE BY CLEAR AND
35 CONVINCING EVIDENCE THAT THE APPLICANT AND EACH PERSON WHO OWNS OR
36 CONTROLS THE APPLICANT ARE QUALIFIED UNDER THE PROVISIONS OF THIS
37 SUBTITLE;

1 (II) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE
2 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO PROVIDE
3 INFORMATION, DOCUMENTATION, AND ASSURANCES REQUIRED BY THIS SUBTITLE
4 OR REQUESTED BY THE COMMISSION;

5 (III) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE
6 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO REVEAL ANY
7 FACT MATERIAL TO QUALIFICATION;

8 (IV) SUPPLYING, BY THE APPLICANT OR ANY PERSON REQUIRED TO
9 BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE, OF
10 INFORMATION THAT IS UNTRUE OR MISLEADING AS TO A MATERIAL FACT
11 CONCERNING THE QUALIFICATION CRITERIA;

12 (V) THE CONVICTION OF THE APPLICANT OR OF ANY PERSON
13 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
14 OF AN OFFENSE UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION
15 WITHIN THE UNITED STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL
16 TURPITUDE OR A GAMBLING OFFENSE;

17 (VI) CURRENT PROSECUTION OF THE APPLICANT OR A PERSON
18 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
19 LICENSE FOR AN OFFENSE DESCRIBED UNDER ITEM (V) OF THIS PARAGRAPH;
20 HOWEVER, AT THE REQUEST OF THE APPLICANT, THE COMMISSION SHALL DEFER
21 DECISION ON THE APPLICATION DURING THE PENDENCY OF THE CHARGE;

22 (VII) THE PURSUIT BY THE APPLICANT OR A PERSON WHO IS
23 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
24 OF ECONOMIC GAIN IN AN OCCUPATIONAL MANNER OR CONTEXT THAT IS IN
25 VIOLATION OF THE CRIMINAL OR CIVIL PUBLIC POLICIES OF THE STATE, IF THE
26 PURSUIT CREATES A REASONABLE BELIEF THAT PARTICIPATION OF THE APPLICANT
27 IN VIDEO LOTTERY OPERATIONS WOULD BE ADVERSE TO THE POLICIES OF THIS
28 SUBTITLE;

29 (VIII) THE IDENTIFICATION OF THE APPLICANT OR A PERSON WHO IS
30 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
31 AS A CAREER OFFENDER OR A MEMBER OF A CAREER OFFENDER CARTEL OR AN
32 ASSOCIATE OF A CAREER OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER
33 THAT CREATES A REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS
34 TO BE INIMICAL TO THE POLICIES OF THIS SUBTITLE;

35 (IX) THE COMMITTING OF AN ACT BY THE APPLICANT OR A PERSON
36 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
37 LICENSE THAT WOULD CONSTITUTE AN OFFENSE DESCRIBED UNDER ITEM (V) OF
38 THIS PARAGRAPH, EVEN IF THE ACT HAS NOT OR MAY NOT BE PROSECUTED UNDER
39 THE CRIMINAL LAWS OF THE STATE; AND

40 (X) CONTUMACIOUS DEFIANCE BY THE APPLICANT OR A PERSON
41 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
42 LICENSE OF A LEGISLATIVE INVESTIGATORY BODY OR OTHER OFFICIAL

1 INVESTIGATORY BODY OF THE UNITED STATES OR A JURISDICTION WITHIN THE
2 UNITED STATES WHEN THE BODY IS ENGAGED IN THE INVESTIGATION OF CRIMES
3 RELATING TO GAMBLING, OFFICIAL CORRUPTION, OR ORGANIZED CRIME ACTIVITY.

4 (D) (1) ON THE FILING OF AN APPLICATION FOR ANY LICENSE REQUIRED
5 UNDER THIS SUBTITLE AND ANY SUPPLEMENTAL INFORMATION REQUIRED BY THE
6 COMMISSION, THE COMMISSION SHALL CONDUCT A BACKGROUND INVESTIGATION
7 AND A HEARING ON THE QUALIFICATIONS OF THE APPLICANT AND ANY PERSON
8 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
9 LICENSE.

10 (2) AFTER THE INVESTIGATION AND HEARING, THE COMMISSION MAY
11 EITHER GRANT A LICENSE TO AN APPLICANT WHOM THE COMMISSION DETERMINES
12 TO BE QUALIFIED OR DENY THE APPLICATION TO AN APPLICANT WHOM THE
13 COMMISSION DETERMINES TO BE NOT QUALIFIED OR DISQUALIFIED.

14 (3) IF MORE THAN ONE APPLICANT IS QUALIFIED FOR A LICENSE, THE
15 COMMISSION SHALL:

16 (I) GRANT A LICENSE TO THE APPLICANT THAT THE COMMISSION
17 DETERMINES IS LIKELY TO PROVIDE THE GREATEST BENEFIT TO THE STATE AND
18 THE COUNTY IN WHICH THE LICENSEE IS TO BE LOCATED; AND

19 (II) DENY A LICENSE TO ANY OTHER APPLICANT FOR THAT
20 LICENSE.

21 (4) IF AN APPLICATION IS DENIED, THE COMMISSION SHALL PREPARE
22 AND FILE AN ORDER DENYING THE APPLICATION WITH A STATEMENT OF THE
23 REASONS FOR THE DENIAL, INCLUDING THE SPECIFIC FINDINGS OF FACT.

24 (5) IF SATISFIED THAT AN APPLICANT IS QUALIFIED TO RECEIVE A
25 LICENSE, AND ON TENDER OF ALL REQUIRED APPLICATION, LICENSE, AND OTHER
26 FEES AND TAXES, AND ANY BONDS THE COMMISSION REQUIRES FOR THE FAITHFUL
27 PERFORMANCE OF THE REQUIREMENTS IMPOSED BY THIS SUBTITLE, ANY STATUTE,
28 AND THE REGULATIONS ISSUED UNDER THIS SUBTITLE, THE COMMISSION SHALL
29 ISSUE A LICENSE FOR A TERM OF 1 YEAR.

30 (6) (I) BY REGULATION, THE COMMISSION SHALL SET THE AMOUNT
31 OF THE BOND REQUIRED UNDER THIS SUBSECTION IN THE AMOUNT THE
32 COMMISSION CONSIDERS APPROPRIATE.

33 (II) THE BOND FURNISHED MAY BE APPLIED BY THE COMMISSION
34 TO THE PAYMENT OF AN UNPAID LIABILITY OF THE LICENSEE.

35 (7) SUBJECT TO THE POWER OF THE COMMISSION TO DENY, REVOKE, OR
36 SUSPEND A LICENSE, A LICENSE IN FORCE SHALL BE RENEWED BY THE COMMISSION
37 FOR THE NEXT SUCCEEDING LICENSE PERIOD ON:

38 (I) PROPER APPLICATION FOR RENEWAL; AND

1 (II) PAYMENT OF ALL REQUIRED APPLICATION, LICENSE, AND
2 OTHER FEES AND TAXES.

3 (E) (1) ON THE REQUEST OF AN APPLICANT FOR A LICENSE, THE
4 COMMISSION MAY GRANT AN EXEMPTION OR WAIVER OF ANY REQUIREMENT UNDER
5 SUBSECTION (B) OR (C) OF THIS SECTION IF THE COMMISSION CONSIDERS THAT THE
6 REQUIREMENT IS NOT NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST OR
7 ACCOMPLISH THE POLICIES ESTABLISHED BY THIS SUBTITLE.

8 (2) ON GRANTING TO AN APPLICANT AN EXEMPTION OR WAIVER OF A
9 REQUIREMENT OF SUBSECTION (C) OR (D) OF THIS SECTION, OR AT ANY TIME AFTER
10 AN EXEMPTION OR WAIVER IS GRANTED, THE COMMISSION:

11 (I) MAY LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION OR
12 WAIVER AS THE COMMISSION CONSIDERS NECESSARY IN THE PUBLIC INTEREST;
13 AND

14 (II) SHALL REQUIRE THE PERSON WHO IS GRANTED THE
15 EXEMPTION OR WAIVER TO COOPERATE WITH THE COMMISSION AND, ON REQUEST,
16 TO PROVIDE INFORMATION IN THE SAME MANNER AS REQUIRED OF A LICENSED
17 VIDEO LOTTERY FACILITY UNDER THIS SUBTITLE.

18 (F) (1) BECAUSE THE STATE HAS A VITAL INTEREST IN VIDEO LOTTERY
19 OPERATIONS AND HAS ESTABLISHED A LIMITED EXCEPTION TO THE POLICY OF THE
20 STATE CONCERNING GAMING FOR PRIVATE GAIN, PARTICIPATION IN VIDEO LOTTERY
21 OPERATIONS BY A LICENSEE UNDER THIS SUBTITLE SHALL BE DEEMED A
22 REVOCABLE PRIVILEGE CONDITIONED ON THE PROPER AND CONTINUED
23 QUALIFICATION OF THE LICENSEE AND ON THE DISCHARGE OF THE AFFIRMATIVE
24 RESPONSIBILITY OF EACH LICENSEE TO PROVIDE TO THE REGULATORY AND
25 INVESTIGATORY AUTHORITIES UNDER THIS SUBTITLE OR ANY OTHER PROVISION OF
26 LAW, ANY ASSISTANCE AND INFORMATION NECESSARY TO ASSURE THAT THE
27 POLICIES DECLARED BY THIS SUBTITLE ARE ACHIEVED.

28 (2) CONSISTENT WITH THE POLICY DESCRIBED IN PARAGRAPH (1) OF
29 THIS SUBSECTION, IT IS THE INTENT OF THIS SUBSECTION TO:

30 (I) PRECLUDE:

31 1. THE CREATION OF ANY PROPERTY RIGHT IN ANY LICENSE
32 REQUIRED UNDER THIS SUBTITLE;

33 2. THE ACCRUAL OF ANY VALUE TO THE PRIVILEGE OF
34 PARTICIPATION IN VIDEO LOTTERY OPERATIONS; AND

35 3. THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS
36 SUBTITLE; AND

37 (II) REQUIRE THAT PARTICIPATION IN VIDEO LOTTERY
38 OPERATIONS BE CONDITIONED SOLELY ON THE INDIVIDUAL QUALIFICATIONS OF
39 THE PERSON WHO SEEKS THE PRIVILEGE.

1 (G) (1) EACH VIDEO LOTTERY TERMINAL DEVICE, ASSOCIATED EQUIPMENT,
2 AND THE CENTRAL COMPUTER SHALL BE:

3 (I) OWNED OR LEASED BY THE COMMISSION; AND

4 (II) UNDER THE CONTROL OF THE COMMISSION.

5 (2) A VIDEO LOTTERY FACILITY LICENSEE MAY NOT OPERATE MORE
6 THAN 2,500 VIDEO LOTTERY TERMINALS.

7 (H) (1) UNLESS A PERSON HOLDS A VALID VIDEO LOTTERY OPERATOR
8 LICENSE ISSUED BY THE COMMISSION, THE PERSON MAY NOT ENTER INTO A
9 MANAGEMENT AGREEMENT, OR ANY OTHER BUSINESS RELATIONSHIP, WITH A
10 VIDEO LOTTERY FACILITY LICENSEE OR APPLICANT FOR THE OPERATION OR THE
11 MANAGEMENT OF THE LICENSEE'S OR APPLICANT'S VIDEO LOTTERY FACILITY OR TO
12 SHARE IN THE PROCEEDS FROM THE LICENSEE'S OR APPLICANT'S VIDEO LOTTERY
13 FACILITY.

14 (2) EACH VIDEO LOTTERY OPERATOR AND EACH OTHER PERSON WHO
15 OWNS OR CONTROLS THE VIDEO LOTTERY OPERATOR, MANAGEMENT AND
16 SUPERVISORY PERSONNEL, AND OTHER PRINCIPAL EMPLOYEES SHALL QUALIFY
17 UNDER THE STANDARDS AND PROVISIONS SET FORTH IN SUBSECTIONS (B) AND (C)
18 OF THIS SECTION FOR LICENSEES.

19 (3) THE COMMISSION MAY NOT GRANT AN EXEMPTION OR WAIVER OF
20 ANY LICENSING REQUIREMENT TO AN APPLICANT FOR OR HOLDER OF A VIDEO
21 LOTTERY OPERATOR LICENSE.

22 (4) A VIDEO LOTTERY FACILITY LICENSEE OR APPLICANT SHALL FILE
23 WITH THE COMMISSION ANY CURRENT OR PROPOSED OPERATION OR MANAGEMENT
24 AGREEMENT WITH ANY PERSON, WHICH AGREEMENT SHALL BE SUBJECT TO
25 APPROVAL BY THE COMMISSION.

26 (5) A LICENSED VIDEO LOTTERY OPERATOR MAY NOT ENTER INTO AN
27 AGREEMENT DESCRIBED UNDER THIS SUBSECTION WITH MORE THAN ONE VIDEO
28 LOTTERY FACILITY LICENSEE.

29 (I) (1) UNLESS A PERSON HOLDS A VALID VIDEO LOTTERY EMPLOYEE
30 LICENSE ISSUED BY THE COMMISSION, THE PERSON MAY NOT BE EMPLOYED BY A
31 LICENSEE AS A VIDEO LOTTERY EMPLOYEE.

32 (2) UNLESS A PERSON HOLDS A VALID SERVICE TECHNICIAN LICENSE
33 ISSUED BY THE COMMISSION, THE PERSON MAY NOT PROVIDE SERVICE AS A
34 SERVICE TECHNICIAN.

35 (3) BEFORE ISSUANCE OF A LICENSE, AN APPLICANT FOR A VIDEO
36 LOTTERY EMPLOYEE LICENSE OR SERVICE TECHNICIAN LICENSE SHALL PROVIDE
37 SUFFICIENT INFORMATION, DOCUMENTATION, AND ASSURANCES TO MEET THE
38 QUALIFICATION CRITERIA CONTAINED IN REGULATIONS ISSUED BY THE
39 COMMISSION.

1 (4) THE COMMISSION SHALL DENY A VIDEO LOTTERY EMPLOYEE
2 LICENSE OR SERVICE TECHNICIAN LICENSE TO AN APPLICANT WHO IS
3 DISQUALIFIED ON THE BASIS OF CRITERIA AND PROCEDURES CONTAINED IN
4 REGULATIONS ISSUED BY THE COMMISSION.

5 (J) (1) UNLESS A MANUFACTURER HOLDS A VALID MANUFACTURER
6 LICENSE ISSUED BY THE COMMISSION BEFORE CONDUCTING BUSINESS WITH A
7 LICENSEE OR THE STATE, THE MANUFACTURER MAY NOT OFFER ANY VIDEO
8 LOTTERY TERMINAL, ASSOCIATED EQUIPMENT, CENTRAL COMPUTER, OR GOODS OR
9 SERVICES THAT DIRECTLY RELATE TO THE OPERATION OF VIDEO LOTTERY
10 TERMINALS.

11 (2) EACH MANUFACTURER AND EACH PERSON WHO OWNS OR
12 CONTROLS THE MANUFACTURER, MANAGEMENT AND SUPERVISORY PERSONNEL,
13 AND OTHER PRINCIPAL EMPLOYEES SHALL QUALIFY UNDER THE STANDARDS AND
14 PROVISIONS SET FORTH IN SUBSECTIONS (B) AND (C) OF THIS SECTION FOR
15 LICENSEES.

16 (3) THE COMMISSION MAY NOT GRANT AN EXEMPTION OR WAIVER OF
17 ANY LICENSING REQUIREMENT TO AN APPLICANT FOR OR HOLDER OF A
18 MANUFACTURER LICENSE.

19 (4) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS,
20 ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR
21 DISTRIBUTE THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND
22 CENTRAL COMPUTER THAT MEET SPECIFICATIONS AND PROCEDURES CONTAINED
23 IN REGULATIONS ISSUED BY THE COMMISSION.

24 (K) (1) THE COMMISSION SHALL CONTRACT WITH ONE OR MORE LICENSED
25 MANUFACTURERS FOR THE LEASE OR PURCHASE OF THE VIDEO LOTTERY
26 TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER AUTHORIZED
27 UNDER THIS SUBTITLE.

28 (2) THE COMMISSION SHALL COMPLY WITH THE REQUIREMENTS OF
29 THE STATE FINANCE AND PROCUREMENT ARTICLE, INCLUDING REQUIREMENTS FOR
30 COMPETITIVE BIDS FOR PROCUREMENT CONTRACTS.

31 9-1A-06.

32 (A) THE COMMISSION MAY DENY A LICENSE TO AN APPLICANT, REPRIMAND
33 OR FINE A LICENSEE, OR SUSPEND OR REVOKE A LICENSE FOR A VIOLATION OF:

34 (1) THIS SUBTITLE;

35 (2) A REGULATION ADOPTED UNDER THIS SUBTITLE;

36 (3) A STATUTE ENACTED IN ACCORDANCE WITH THIS SUBTITLE; OR

37 (4) A CONDITION THAT THE COMMISSION SETS.

1 (B) (1) FOR EACH VIOLATION SPECIFIED IN SUBSECTION (A) OF THIS
2 SECTION, THE COMMISSION MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000
3 PAYABLE TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-10 OF THIS
4 SUBTITLE.

5 (2) EACH DAY THAT A PERSON IS IN VIOLATION OF THIS SECTION SHALL
6 BE CONSIDERED A SEPARATE VIOLATION.

7 (3) TO DETERMINE THE AMOUNT OF THE PENALTY IMPOSED UNDER
8 PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION SHALL CONSIDER:

9 (I) THE SERIOUSNESS OF THE VIOLATION;

10 (II) THE HARM CAUSED BY THE VIOLATION; AND

11 (III) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE PERSON
12 WHO COMMITTED THE VIOLATION.

13 (C) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS SUBTITLE, THIS
14 SUBTITLE DOES NOT ABROGATE OR LIMIT THE CRIMINAL LAWS OF THIS STATE OR
15 LIMIT OR PROHIBIT THE ENACTMENT OF LAWS ESTABLISHING CRIMINAL OFFENSES
16 AND PENALTIES RELATING TO VIDEO LOTTERY OPERATIONS.

17 9-1A-07.

18 (A) THE COMMISSION SHALL:

19 (1) HEAR AND DECIDE PROMPTLY AND IN REASONABLE ORDER LICENSE
20 APPLICATIONS AND CAUSES AFFECTING THE GRANTING, SUSPENSION, REVOCATION,
21 OR RENEWAL OF LICENSES UNDER THIS SUBTITLE;

22 (2) CONDUCT HEARINGS CONCERNING CIVIL VIOLATIONS OF THIS
23 SUBTITLE OR REGULATIONS ISSUED UNDER THIS SUBTITLE;

24 (3) ISSUE REGULATIONS THE COMMISSION CONSIDERS NECESSARY TO
25 FULFILL THE POLICIES OF THIS SUBTITLE;

26 (4) ESTABLISH AND COLLECT APPLICATION, LICENSE, AND OTHER FEES
27 TO COVER THE COSTS OF ADMINISTERING THIS SUBTITLE, EXCEPT THE COSTS
28 DESCRIBED UNDER § 9-1A-01(J)(2) OF THIS SUBTITLE;

29 (5) APPLY APPLICATION, LICENSE, AND OTHER FEES TO COVER THE
30 COSTS OF ADMINISTERING THIS SUBTITLE, EXCEPT THE COSTS DESCRIBED UNDER §
31 9-1A-01(J)(2) OF THIS SUBTITLE;

32 (6) ESTABLISH AN INITIAL LICENSING FEE OF \$125,000,000 TO BE PAID
33 BY EACH VIDEO LOTTERY FACILITY LICENSEE IMMEDIATELY ON ISSUANCE OF A
34 LICENSE TO THE LICENSEE BY THE COMMISSION AND DISTRIBUTED TO THE
35 GENERAL FUND OF THE STATE FOR THE GENERAL PURPOSES OF STATE
36 GOVERNMENT;

1 (7) (I) ESTABLISH AN ANNUAL FEE OF \$360, TO BE PAID BY EACH
2 VIDEO LOTTERY FACILITY LICENSEE, FOR EACH VIDEO LOTTERY TERMINAL
3 OPERATED BY THE LICENSEE DURING THE YEAR; AND

4 (II) DISTRIBUTE THE FEES COLLECTED UNDER ITEM (I) OF THIS
5 PARAGRAPH TO THE COMPULSIVE GAMBLING FUND ESTABLISHED IN § 9-1A-12 OF
6 THIS SUBTITLE;

7 (8) LEVY AND COLLECT CIVIL PENALTIES THAT SHALL BE PAID TO THE
8 EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-10 OF THIS SUBTITLE FOR
9 CIVIL VIOLATIONS OF THE PROVISIONS OF THIS SUBTITLE AND ANY REGULATIONS
10 ISSUED UNDER THIS SUBTITLE;

11 (9) BE PRESENT AT A VIDEO LOTTERY FACILITY THROUGH ITS
12 EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO
13 LOTTERY TERMINAL FOR THE PURPOSE OF CERTIFYING REVENUE FROM THE VIDEO
14 LOTTERY TERMINALS, RECEIVING COMPLAINTS FROM THE PUBLIC, AND
15 CONDUCTING ANY OTHER INVESTIGATION INTO THE OPERATION OF THE VIDEO
16 LOTTERY TERMINALS AND THE MAINTENANCE OF THE VIDEO LOTTERY TERMINALS
17 AND ASSOCIATED EQUIPMENT THE COMMISSION CONSIDERS NECESSARY AND
18 PROPER; AND

19 (10) REVIEW AND RULE ON ANY COMPLAINT BY A LICENSEE REGARDING
20 ANY INVESTIGATIVE PROCEDURES OF THE COMMISSION THAT ARE UNNECESSARILY
21 DISRUPTIVE OF VIDEO LOTTERY OPERATIONS.

22 (B) (1) THE COMMISSION'S NEED TO INSPECT AND INVESTIGATE SHALL BE
23 PRESUMED AT ALL TIMES.

24 (2) THE DISRUPTION OF A LICENSEE'S VIDEO LOTTERY OPERATIONS
25 SHALL BE PROVED BY CLEAR AND CONVINCING EVIDENCE AND ESTABLISH THAT:

26 (I) THE PROCEDURES HAD NO REASONABLE LAW ENFORCEMENT
27 PURPOSE; AND

28 (II) THE PROCEDURES WERE SO DISRUPTIVE AS TO INHIBIT THE
29 LICENSEE'S VIDEO LOTTERY OPERATIONS.

30 (C) THE COMMISSION HAS THE AUTHORITY TO:

31 (1) ISSUE SUBPOENAS AND TO COMPEL THE ATTENDANCE OF
32 WITNESSES AT ANY PLACE WITHIN THE STATE;

33 (2) ADMINISTER OATHS AND REQUIRE TESTIMONY UNDER OATH
34 BEFORE THE COMMISSION IN THE COURSE OF ANY INVESTIGATION OR HEARING
35 CONDUCTED UNDER THIS SUBTITLE;

36 (3) SERVE OR CAUSE TO BE SERVED ITS PROCESS OR NOTICES IN A
37 MANNER PROVIDED FOR SERVICE OF PROCESS IN CIVIL ACTIONS UNDER THE
38 MARYLAND RULES; AND

1 (4) SUBMIT WRITTEN INTERROGATORIES.

2 (D) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, THE COMMISSION
3 SHALL CONDUCT A HEARING IN THE SAME MANNER AS SPECIFIED IN TITLE 10,
4 SUBTITLE 2 OF THIS ARTICLE.

5 (E) THE COMMISSION SHALL ADOPT REGULATIONS THAT INCLUDE THE
6 FOLLOWING SPECIFIC PROVISIONS IN ACCORDANCE WITH THIS SUBTITLE:

7 (1) REQUIRING THE METHODS AND FORMS OF APPLICATION THAT AN
8 APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE SHALL FOLLOW
9 AND COMPLETE BEFORE CONSIDERATION OF THE APPLICATION BY THE
10 COMMISSION;

11 (2) REQUIRING THE METHODS, PROCEDURES, AND FORM FOR DELIVERY
12 OF INFORMATION FROM AN APPLICANT OR LICENSEE CONCERNING ANY PERSON'S
13 FAMILY, HABITS, CHARACTER, ASSOCIATES, CRIMINAL RECORD, BUSINESS
14 ACTIVITIES, AND FINANCIAL AFFAIRS;

15 (3) REQUIRING THE PROCEDURES FOR THE FINGERPRINTING OF AN
16 APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE OR OTHER
17 METHODS OF IDENTIFICATION THAT THE COMMISSION CONSIDERS NECESSARY TO
18 ACCOMPLISH EFFECTIVE ENFORCEMENT OF THE PROVISIONS OF THIS SUBTITLE;

19 (4) REQUIRING THE MANNER AND PROCEDURE OF HEARINGS
20 CONDUCTED BY THE COMMISSION;

21 (5) REQUIRING THE MANNER AND METHOD OF COLLECTION OF TAXES,
22 FEES, AND CIVIL PENALTIES;

23 (6) DEFINING AND LIMITING THE AREAS OF OPERATION FOR VIDEO
24 LOTTERY TERMINALS, RULES OF VIDEO LOTTERY TERMINALS, ODDS FOR VIDEO
25 LOTTERY TERMINALS, AND THE METHOD OF OPERATION OF THE VIDEO LOTTERY
26 TERMINALS;

27 (7) REGULATING THE PRACTICE AND PROCEDURES FOR NEGOTIABLE
28 TRANSACTIONS INVOLVING VIDEO LOTTERY TERMINAL PLAYERS, INCLUDING
29 LIMITATIONS ON THE CIRCUMSTANCES AND AMOUNTS OF NEGOTIABLE
30 TRANSACTIONS, AND THE ESTABLISHMENT OF FORMS AND PROCEDURES FOR
31 NEGOTIABLE INSTRUMENT TRANSACTIONS, REDEMPTIONS, AND CONSOLIDATIONS;

32 (8) PRESCRIBING THE GROUNDS AND PROCEDURES FOR REPRIMANDS
33 OR THE REVOCATION OR SUSPENSION OF LICENSES ISSUED UNDER THIS SUBTITLE;

34 (9) GOVERNING THE MANUFACTURE, DISTRIBUTION, SALE, AND
35 SERVICING OF VIDEO LOTTERY TERMINALS;

36 (10) REQUIRING THE PROCEDURES, FORMS, AND METHODS OF
37 MANAGEMENT CONTROLS;

1 (11) PROVIDING FOR MINIMUM UNIFORM STANDARDS OF ACCOUNTANCY
2 METHODS, PROCEDURES, AND FORMS AS ARE NECESSARY TO ASSURE CONSISTENCY,
3 COMPARABILITY, AND EFFECTIVE DISCLOSURE OF ALL FINANCIAL INFORMATION,
4 INCLUDING PERCENTAGES OF PROFIT FOR VIDEO LOTTERY TERMINALS;

5 (12) REQUIRING PERIODIC FINANCIAL REPORTS AND THE FORM OF THE
6 REPORTS, INCLUDING AN ANNUAL AUDIT PREPARED BY A CERTIFIED PUBLIC
7 ACCOUNTANT LICENSED TO DO BUSINESS IN THE STATE, DISCLOSING WHETHER
8 THE ACCOUNTS, RECORDS, AND CONTROL PROCEDURES EXAMINED ARE
9 MAINTAINED BY THE VIDEO LOTTERY FACILITY LICENSEE AS REQUIRED BY THIS
10 SUBTITLE OR ANY REGULATIONS ISSUED UNDER THIS SUBTITLE;

11 (13) LIMITING SIGNS AND OTHER ON-SITE ADVERTISING TO REDUCE
12 SOLICITATION FOR VIDEO LOTTERY PURPOSES FROM THE PUBLIC THOROUGHFARES
13 OR OTHERWISE DOMINATING OR DESPOILING THE ENVIRONMENT;

14 (14) PROHIBITING A LICENSEE FROM ALLOWING A MINOR TO PLAY A
15 VIDEO LOTTERY TERMINAL; AND

16 (15) ESTABLISHING A PAYOUT PERCENTAGE FOR VIDEO LOTTERY
17 TERMINALS OF NOT LESS THAN 83% ON AN AVERAGE ANNUAL BASIS.

18 (F) (1) BY REGULATION, THE COMMISSION SHALL PROVIDE FOR THE
19 ESTABLISHMENT OF A LIST OF PERSONS WHO ARE TO BE EXCLUDED OR EJECTED
20 FROM ANY VIDEO LOTTERY FACILITY LICENSED UNDER THIS SUBTITLE.

21 (2) THE REGULATIONS UNDER THIS SUBSECTION SHALL DEFINE THE
22 STANDARDS FOR EXCLUSION OR EJECTION AND SHALL INCLUDE STANDARDS
23 RELATING TO PERSONS:

24 (I) WHO ARE CAREER OFFENDERS AS DEFINED BY REGULATIONS
25 THAT SHALL BE ISSUED BY THE COMMISSION;

26 (II) WHO HAVE BEEN CONVICTED OF A CRIMINAL OFFENSE UNDER
27 THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE UNITED
28 STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE OR A
29 GAMBLING OFFENSE; OR

30 (III) WHOSE PRESENCE IN THE ESTABLISHMENT OF A LICENSEE
31 WOULD BE ADVERSE TO THE INTEREST OF THE STATE, THE LICENSEE, OR THE
32 PERSON.

33 (3) THE COMMISSION MAY IMPOSE SANCTIONS ON A LICENSEE IN
34 ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY FAILS TO
35 EXCLUDE OR EJECT FROM THE PREMISES OF THE LICENSEE A PERSON PLACED BY
36 THE COMMISSION ON THE LIST OF PERSONS TO BE EXCLUDED OR EJECTED.

37 (4) AN ORDER UNDER THIS SUBSECTION SHALL BE SUBJECT TO
38 JUDICIAL REVIEW.

1 (5) RACE, COLOR, CREED, NATIONAL ORIGIN OR ANCESTRY, OR GENDER
2 MAY NOT BE A REASON FOR PLACING THE NAME OF A PERSON ON THE LIST OF
3 PERSONS TO BE EXCLUDED OR EJECTED.

4 (G) (1) THE COMMISSION SHALL PROMPTLY AND IN REASONABLE ORDER
5 INVESTIGATE ALL APPLICATIONS AND ENFORCE THE PROVISIONS OF THIS SUBTITLE
6 OR ANY REGULATIONS ISSUED UNDER THIS SUBTITLE.

7 (2) THE COMMISSION AND ITS EMPLOYEES AND AGENTS HAVE THE
8 AUTHORITY, WITHOUT NOTICE AND WITHOUT WARRANT, TO:

9 (I) INSPECT AND EXAMINE ALL PREMISES IN WHICH VIDEO
10 LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE CONDUCTED OR ANY
11 AUTHORIZED VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, OR CENTRAL
12 COMPUTER ARE DESIGNED, BUILT, CONSTRUCTED, ASSEMBLED, MANUFACTURED,
13 SOLD, DISTRIBUTED, OR SERVICED, OR IN WHICH RECORDS OF THOSE ACTIVITIES
14 ARE PREPARED OR MAINTAINED;

15 (II) INSPECT ANY VIDEO LOTTERY TERMINALS, ASSOCIATED
16 EQUIPMENT, OR CENTRAL COMPUTER IN, ABOUT, ON, OR AROUND THOSE PREMISES;

17 (III) SEIZE SUMMARILY AND REMOVE FROM THOSE PREMISES AND
18 IMPOUND, OR ASSUME PHYSICAL CONTROL OF, ANY VIDEO LOTTERY TERMINALS,
19 ASSOCIATED EQUIPMENT, OR CENTRAL COMPUTER FOR THE PURPOSES OF
20 EXAMINATION AND INSPECTION;

21 (IV) INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND
22 DOCUMENTS CONCERNING A LICENSEE'S VIDEO LOTTERY OPERATIONS; AND

23 (V) SEIZE, IMPOUND, OR ASSUME PHYSICAL CONTROL OF BOOKS,
24 RECORDS, LEDGERS, CASH BOXES AND THEIR CONTENTS, A COUNTING ROOM OR ITS
25 EQUIPMENT, OR OTHER PHYSICAL OBJECTS RELATING TO VIDEO LOTTERY
26 OPERATIONS.

27 9-1A-08.

28 (A) THE PROCEEDS FROM VIDEO LOTTERY TERMINALS SHALL BE UNDER THE
29 CONTROL OF THE COMMISSION AND SHALL BE DISTRIBUTED AS PROVIDED IN THIS
30 SECTION.

31 (B) FROM THE PROCEEDS FROM VIDEO LOTTERY TERMINALS FOR ALL VIDEO
32 LOTTERY FACILITIES, THE COMMISSION SHALL FIRST PAY THE COSTS INCURRED BY
33 THE COMMISSION IN ADMINISTERING THIS SUBTITLE BASED ON A SCHEDULE
34 DETERMINED BY THE COMMISSION.

35 (C) FROM THE NET PROCEEDS FROM VIDEO LOTTERY TERMINALS FOR ALL
36 VIDEO LOTTERY FACILITIES, AFTER PAYING THE COSTS INCURRED BY THE
37 COMMISSION IN ADMINISTERING THIS SUBTITLE, THE COMMISSION SHALL
38 DISTRIBUTE AT LEAST ONE-HALF OF THE NET PROCEEDS TO THE EDUCATION TRUST
39 FUND ESTABLISHED UNDER § 9-1A-10 OF THIS SUBTITLE.

1 (D) FROM THE NET PROCEEDS FROM THE VIDEO LOTTERY TERMINALS AFTER
2 THE DEDUCTIONS FROM THE PROCEEDS OF THE AMOUNTS DESCRIBED UNDER
3 SUBSECTIONS (B) AND (C) OF THIS SECTION, THE COMMISSION SHALL DISTRIBUTE,
4 BASED ON A SCHEDULE DETERMINED BY THE COMMISSION:

5 (1) SUBJECT TO THE PROVISIONS OF ITEM (4) OF THIS ITEM, AN AMOUNT
6 TO THE GENERAL FUND, SUBJECT TO APPROVAL BY THE GENERAL ASSEMBLY, FOR
7 LOCAL DEVELOPMENT GRANTS TO COUNTIES FOR INFRASTRUCTURE, FACILITIES,
8 SERVICES, ECONOMIC AND COMMUNITY DEVELOPMENT, AND OTHER
9 IMPROVEMENTS IN COUNTIES WHERE VIDEO LOTTERY FACILITY LICENSES ARE
10 ISSUED, PROVIDED THE GRANTS SHALL BE:

11 (I) AT LEAST \$52,198 PER DAY FOR EACH DAY OF OPERATION BY A
12 VIDEO LOTTERY FACILITY LICENSEE LOCATED IN A COUNTY WITH A POPULATION
13 DENSITY OF MORE THAN 2,500 PER SQUARE MILE;

14 (II) AT LEAST \$41,209 PER DAY FOR EACH DAY OF OPERATION BY A
15 VIDEO LOTTERY FACILITY LICENSEE LOCATED IN A COUNTY WITH A POPULATION
16 DENSITY OF MORE THAN 1,500 PER SQUARE MILE; AND

17 (III) AT LEAST \$31,594 PER DAY FOR EACH DAY OF OPERATION BY A
18 VIDEO LOTTERY FACILITY LICENSEE LOCATED IN A COUNTY WITH A POPULATION
19 DENSITY OF MORE THAN 100 PER SQUARE MILE;

20 (2) IF A VIDEO LOTTERY FACILITY LICENSE IS ISSUED FOR THE LAUREL
21 RACE COURSE LOCATION, THE LOCAL IMPACT GRANT FOR THAT LOCATION SHALL BE
22 DISTRIBUTED AS FOLLOWS:

23 (I) 60% TO ANNE ARUNDEL COUNTY;

24 (II) 20% TO HOWARD COUNTY; AND

25 (III) 20% TO THE CITY OF LAUREL;

26 (3) POPULATION DENSITY UNDER ITEM (1) OF THIS ITEM SHALL BE
27 DETERMINED BY THE MARYLAND OFFICE OF PLANNING; AND

28 (4) THE LOCAL IMPACT GRANTS IN ITEM (1) OF THIS ITEM SHALL
29 INCREASE 2% EACH YEAR IN WHICH THE PROCEEDS IN THE CURRENT FISCAL YEAR
30 EXCEED THE PROCEEDS IN THE PRIOR FISCAL YEAR.

31 (E) FROM THE NET PROCEEDS FROM THE VIDEO LOTTERY TERMINALS AFTER
32 THE DEDUCTIONS FROM THE PROCEEDS OF THE AMOUNTS DESCRIBED UNDER
33 SUBSECTIONS (C) AND (D) OF THIS SECTION, THE COMMISSION SHALL PAY, BASED ON
34 A SCHEDULE DETERMINED BY THE COMMISSION:

35 (1) 20% OF THE REMAINDER OF THE NET PROCEEDS TO THE PURSE
36 DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-11 OF THIS SUBTITLE; AND

1 (2) AS APPROVED BY THE COMMISSION, AND SUBJECT TO THE
2 PROVISIONS OF § 9-1A-09 OF THIS SUBTITLE, AN AMOUNT NOT TO EXCEED 80% OF
3 THE REMAINDER OF THE NET PROCEEDS FOR THE OPERATING COSTS AND RELATED
4 CAPITAL COSTS OF, AND A REASONABLE RETURN FOR, THE VIDEO LOTTERY FACILITY
5 LICENSEES.

6 9-1A-09.

7 (A) FOR CAPITAL IMPROVEMENT PROJECTS OF \$1,000,000 OR MORE AT HORSE
8 RACING TRACKS AND RELATED FACILITIES FINANCED DIRECTLY OR INDIRECTLY
9 WITH PROCEEDS FROM VIDEO LOTTERY TERMINALS, THE MARYLAND STADIUM
10 AUTHORITY MAY MANAGE THE PROJECT, IN ACCORDANCE WITH THE
11 REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION, IF REQUESTED BY THE VIDEO
12 LOTTERY FACILITY LICENSEE.

13 (B) (1) THE MARYLAND STADIUM AUTHORITY SHALL NOTIFY THE
14 LEGISLATIVE POLICY COMMITTEE IN WRITING OF ANY PROPOSED PROJECT THAT IS
15 SUBJECT TO THE AUTHORITY'S REVIEW AND MANAGEMENT UNDER SUBSECTION (A)
16 OF THIS SECTION.

17 (2) THE COMMITTEE SHALL HAVE 45 DAYS TO REVIEW AND COMMENT
18 ON THE PROPOSED PROJECT.

19 (3) THE AUTHORITY MAY NOT ENTER INTO ANY CONTRACT FOR A
20 PROJECT UNTIL AFTER THE 45-DAY REVIEW AND COMMENT PERIOD OR THE
21 AUTHORITY RECEIVES THE COMMITTEE'S COMMENTS, WHICHEVER IS SOONER.

22 (C) THE MARYLAND STADIUM AUTHORITY SHALL USE FUNDS PROVIDED BY
23 THE VIDEO LOTTERY FACILITY LICENSEES OR OTHERWISE APPROPRIATED FOR A
24 PROJECT THE AUTHORITY HAS REVIEWED AND APPROVED.

25 9-1A-10.

26 (A) THERE IS AN EDUCATION TRUST FUND WHICH IS A SPECIAL CONTINUING,
27 NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
28 PROCUREMENT ARTICLE.

29 (B) THERE SHALL BE CREDITED TO THE EDUCATION TRUST FUND ALL TAXES,
30 FEES, CHARGES, AND REVENUES COLLECTED OR RECEIVED BY OR PAID,
31 APPROPRIATED, OR CREDITED, UNDER THIS SUBTITLE OR ANY OTHER PROVISION OF
32 LAW, TO THE ACCOUNT OF THE EDUCATION TRUST FUND.

33 (C) MONEYS IN THE EDUCATION TRUST FUND SHALL BE USED:

34 (1) TO PROVIDE AN ADEQUATE EDUCATION FOR CHILDREN ATTENDING
35 PUBLIC SCHOOLS IN THE STATE IN PREKINDERGARTEN THROUGH GRADE 12,
36 THROUGH IMPLEMENTATION OF THE PROGRAMS COMMONLY KNOWN AS THE
37 BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS, FIRST ENACTED BY CHAPTER 288 OF
38 THE ACTS OF THE GENERAL ASSEMBLY OF 2002;

1 (2) TO ENHANCE COLLEGE READINESS, TEACHER PREPARATION, AND
2 FINANCIAL AID FOR DISADVANTAGED AND CAPABLE STUDENTS, THROUGH
3 IMPLEMENTATION OF THE PROGRAMS COMMONLY KNOWN AS COLLEGE READINESS
4 FOR DISADVANTAGED AND CAPABLE STUDENTS, FIRST ENACTED BY CHAPTERS 315
5 AND 429 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2002; AND

6 (3) TO SUPPORT PUBLIC LIBRARIES.

7 (D) (1) SUBJECT TO SUBSECTION (C) OF THIS SECTION, EXPENDITURES
8 FROM THE EDUCATION TRUST FUND SHALL BE MADE EACH FISCAL YEAR IN
9 ACCORDANCE WITH THE STATE BUDGET.

10 (2) FOR EACH FISCAL YEAR, IN ADDITION TO THE FUNDS DEDICATED
11 UNDER THIS SECTION TO THE EDUCATION TRUST FUND, THE GOVERNOR SHALL
12 INCLUDE IN THE ANNUAL BUDGET BILL SUBMITTED TO THE GENERAL ASSEMBLY A
13 GENERAL FUND APPROPRIATION FOR THE PURPOSES DESCRIBED UNDER
14 SUBSECTION (C) OF THIS SECTION IN AN AMOUNT NOT LESS THAN THE AMOUNT OF
15 FUNDS APPROPRIATED IN THE PRIOR FISCAL YEAR FOR THOSE PURPOSES.

16 (3) AN APPROPRIATION FROM THE EDUCATION TRUST FUND PROPOSED
17 TO BE MADE FOR ANY DESIGNATED EDUCATIONAL ACTIVITY, FUNCTION, OR
18 UNDERTAKING THAT HAS BEEN REDUCED BY THE GENERAL ASSEMBLY MAY NOT BE
19 RESTORED, FOR THE SAME PURPOSE AS ORIGINALLY PROPOSED, EXCEPT IN AN
20 EMERGENCY, BY THE BUDGET AMENDMENT PROCEDURE OF § 7-209 OF THE STATE
21 FINANCE AND PROCUREMENT ARTICLE OR OTHERWISE IF THE GENERAL ASSEMBLY
22 IN STRIKING OR REDUCING THE APPROPRIATION, PROHIBITED ITS RESTORATION.

23 (E) IN DEVELOPING THE STATE BUDGET, THE GOVERNOR SHALL CONSULT
24 WITH THE K-16 LEADERSHIP COUNCIL ON THE EXPENDITURE OF FUNDS FROM THE
25 EDUCATION TRUST FUND.

26 (F) THE GOVERNOR SHALL SUBMIT WITH THE ANNUAL STATE BUDGET THE
27 EDUCATION TRUST FUND'S:

28 (1) BEGINNING BALANCE;

29 (2) PROJECTED REVENUES;

30 (3) PROPOSED OVERALL BUDGET AND ALLOCATION OF FUNDS IN THE
31 UPCOMING FISCAL YEAR; AND

32 (4) IDENTIFICATION OF MULTIYEAR COMMITMENTS FOR PROGRAMS.

33 (G) THE K-16 LEADERSHIP COUNCIL SHALL SUBMIT AN ANNUAL REPORT TO
34 THE GOVERNOR AND GENERAL ASSEMBLY BY JANUARY 1 EACH YEAR ADDRESSING
35 HOW THE MONEYS FROM THE EDUCATION TRUST FUND ARE BEING USED TO
36 PROMOTE THE ADEQUACY OF PUBLIC EDUCATION CLASSROOM INSTRUCTION FOR
37 MARYLAND'S STUDENTS AND TO IMPROVE PUBLIC LIBRARIES.

1 9-1A-11.

2 (A) THERE IS A PURSE DEDICATION ACCOUNT UNDER THE AUTHORITY OF
3 THE COMMISSION.

4 (B) (1) THE ACCOUNT SHALL RECEIVE MONEYS AS REQUIRED UNDER §
5 9-1A-08(B) OF THIS SUBTITLE.

6 (2) MONEYS IN THE ACCOUNT SHALL BE INVESTED AND REINVESTED BY
7 THE TREASURER AND INTEREST AND EARNINGS SHALL ACCRUE TO THE ACCOUNT.

8 (3) THE ACCOUNT IS A SPECIAL CONTINUING, NONLAPSING FUND THAT
9 IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

10 (4) EXPENDITURES FROM THE ACCOUNT SHALL ONLY BE MADE:

11 (I) AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION; AND

12 (II) IN ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE
13 GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY THE BUDGET
14 AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND
15 PROCUREMENT ARTICLE.

16 (C) FUNDS CREDITED TO THE PURSE DEDICATION ACCOUNT UNDER §
17 9-1A-08(E)(1) OF THIS SUBTITLE SHALL BE ALLOCATED BY THE COMMISSION AND
18 PAID FROM THE ACCOUNT IN THE FOLLOWING MANNER:

19 (1) 62.3% TO MILE THOROUGHBRED PURSES;

20 (2) 7.7% TO THE MARYLAND-BRED RACE FUND;

21 (3) 26.67% TO STANDARD BRED PURSES; AND

22 (4) 3.33% TO THE STANDARD BRED RACE FUND.

23 (D) (1) THE ORGANIZATION REPRESENTING A MAJORITY OF THE
24 THOROUGHBRED BREEDERS LICENSED IN THE STATE MAY USE UP TO 5% OF THE
25 MONEY ALLOCATED TO THE MARYLAND-BRED RACE FUND UNDER SUBSECTION
26 (C)(2) OF THIS SECTION FOR ACTIVITIES RELATED TO THE MARKETING, PROMOTION,
27 AND ENHANCEMENT OF THE THOROUGHBRED RACING AND BREEDING INDUSTRY IN
28 THE STATE.

29 (2) THE STATE RACING COMMISSION SHALL USE THE REMAINING 95%
30 OF THE MONEY ALLOCATED TO THE MARYLAND-BRED RACE FUND UNDER
31 SUBSECTION (C)(2) OF THIS SECTION FOR MARYLAND-BRED FUND RACES AS
32 DESCRIBED UNDER TITLE 11, SUBTITLE 5 OF THE BUSINESS REGULATION ARTICLE.

33 (E) THE GROUP THAT REPRESENTS A MAJORITY OF THE APPLICABLE OWNERS
34 AND TRAINERS LICENSED IN THE STATE MAY ALLOCATE REVENUES OUT OF THE
35 APPLICABLE PURSE SHARE.

1 (F) THE GROUP THAT REPRESENTS A MAJORITY OF THE APPLICABLE
2 BREEDERS IN THE STATE MAY ALLOCATE REVENUES OUT OF THE APPLICABLE BRED
3 FUND SHARE.

4 9-1A-12.

5 (A) THERE IS A COMPULSIVE GAMBLING FUND IN THE DEPARTMENT OF
6 HEALTH AND MENTAL HYGIENE.

7 (B) (1) THERE SHALL BE CREDITED TO THE COMPULSIVE GAMBLING FUND
8 FEES COLLECTED BY THE COMMISSION AS PROVIDED UNDER § 9-1A-07 OF THIS
9 SUBTITLE.

10 (2) MONEYS IN THE COMPULSIVE GAMBLING FUND SHALL BE INVESTED
11 AND REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL
12 ACCRUE TO THE FUND.

13 (3) THE COMPULSIVE GAMBLING FUND IS A SPECIAL CONTINUING,
14 NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
15 PROCUREMENT ARTICLE.

16 (C) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND SHALL ONLY
17 BE MADE:

18 (1) BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE TO
19 ESTABLISH A 24-HOUR HOTLINE FOR COMPULSIVE GAMBLERS AND TO PROVIDE
20 COUNSELING AND OTHER SUPPORT SERVICES FOR COMPULSIVE GAMBLERS; AND

21 (2) IN ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE
22 GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY THE BUDGET
23 AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND
24 PROCUREMENT ARTICLE.

25 9-1A-13.

26 (A) THE COMMISSION SHALL ESTABLISH AN ELECTRONIC PAYMENT SYSTEM
27 FOR THE PAYMENT OF THE AMOUNTS REQUIRED UNDER § 9-1A-08 OF THIS
28 SUBTITLE.

29 (B) THE COMMISSION SHALL ACCOUNT TO THE COMPTROLLER FOR ALL OF
30 THE REVENUE AND EXPENDITURES UNDER THIS SUBTITLE.

31 (C) THE COMPTROLLER SHALL CREDIT THE REVENUES AS REQUIRED BY §
32 9-1A-08 OF THIS SUBTITLE.

33 9-1A-14.

34 (A) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS SUBTITLE, THE
35 COMMISSION MAY CONSIDER AN APPLICATION FOR A VIDEO LOTTERY FACILITY
36 LICENSE ONLY IF, BEFORE THE ISSUANCE OF A LICENSE:

1 (1) THE APPLICANT FOR THE VIDEO LOTTERY FACILITY LICENSE GIVES
2 WRITTEN NOTICE TO THE GOVERNING BODY OF THE COUNTY IN WHICH THE
3 APPLICANT INTENDS TO LOCATE THE VIDEO LOTTERY FACILITY WHEN THE
4 APPLICANT SUBMITS THE APPLICATION;

5 (2) THE GOVERNING BODY OF A COUNTY IN WHICH AN APPLICATION
6 FOR A VIDEO LOTTERY FACILITY IN THAT COUNTY HAS BEEN MADE ADOPTS A
7 RESOLUTION IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION IN SUPPORT
8 OF THE ESTABLISHMENT AND LOCATION OF A VIDEO LOTTERY FACILITY IN THE
9 COUNTY WITHIN 60 DAYS AFTER SUBMISSION OF THE APPLICATION FOR THE VIDEO
10 LOTTERY FACILITY LICENSE; AND

11 (3) (I) THE LEGALLY QUALIFIED VOTERS OF THE COUNTY HAVE NOT
12 SUBMITTED A PETITION TO PLACE THE LOCAL RESOLUTION ON THE BALLOT AT A
13 SPECIAL ELECTION IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION
14 WITHIN 30 DAYS AFTER PASSAGE OF THE LOCAL RESOLUTION; OR

15 (II) THE OUTCOME OF THE SPECIAL ELECTION DESCRIBED IN
16 SUBSECTION (C) OF THIS SECTION IS IN SUPPORT OF THE LOCAL RESOLUTION.

17 (B) (1) PRIOR TO THE ADOPTION OF A RESOLUTION DESCRIBED IN
18 SUBSECTION (A)(2) OF THIS SECTION, THE GOVERNING BODY OF A COUNTY SHALL
19 CONDUCT A PUBLIC HEARING ON THE PROPOSED RESOLUTION.

20 (2) THE GOVERNING BODY OF THE COUNTY SHALL PUBLISH NOTICE OF
21 THE HEARING ON THE PROPOSED RESOLUTION AT LEAST ONCE A WEEK FOR 2
22 CONSECUTIVE WEEKS BEFORE THE HEARING IN A NEWSPAPER OF GENERAL
23 CIRCULATION IN THE COUNTY.

24 (C) (1) A SPECIAL ELECTION SHALL BE HELD IN THE COUNTY IF A PETITION
25 IS CERTIFIED IN ACCORDANCE WITH TITLE 6, SUBTITLE 2 OF THE ELECTION LAW
26 ARTICLE WITH THE SIGNATURES OF AT LEAST 3% OF THE LEGALLY QUALIFIED
27 VOTERS OF THE COUNTY IN SUPPORT OF PLACING THE RESOLUTION DESCRIBED IN
28 SUBSECTION (A)(2) OF THIS SECTION ON THE BALLOT AT A SPECIAL ELECTION IN THE
29 COUNTY.

30 (2) THE SPECIAL ELECTION SHALL BE HELD WITHIN 30 DAYS AFTER THE
31 DATE A PETITION IS CERTIFIED IN ACCORDANCE WITH PARAGRAPH (1) OF THIS
32 SUBSECTION.

33 (3) THE COST OF THE SPECIAL ELECTION SHALL BE PAID BY THE STATE.

34 (4) THE BOARD OF SUPERVISORS OF ELECTIONS OF THE COUNTY AND
35 THE COUNTY GOVERNING BODY SHALL DO THOSE THINGS NECESSARY AND PROPER
36 TO PROVIDE FOR AND HOLD THE REFERENDUM REQUIRED BY THIS SECTION.

37 (5) THE BOARD OF SUPERVISORS AND THE COUNTY GOVERNING BODY
38 SHALL PLACE ON THE BALLOT AT THE SPECIAL ELECTION THE TITLE
39 "ESTABLISHMENT AND LOCATION OF VIDEO LOTTERY FACILITY IN THE COUNTY"
40 AND UNDERNEATH THE TITLE, ON SEPARATE LINES, OPTIONS FOR THE VOTER TO

1 SELECT "FOR THE VIDEO LOTTERY FACILITY" OR "AGAINST THE VIDEO LOTTERY
2 FACILITY".

3 (6) BEFORE THE SPECIAL ELECTION, THE BOARD OF SUPERVISORS OF
4 THE COUNTY SHALL PUBLISH IN AT LEAST TWO NEWSPAPERS OF GENERAL
5 CIRCULATION IN THE COUNTY, AT LEAST ONCE A WEEK FOR 3 CONSECUTIVE WEEKS,
6 NOTICE OF THE REFERENDUM AND A COPY OF THE RESOLUTION ADOPTED BY THE
7 COUNTY GOVERNING BODY.

8 (7) IF THE MAJORITY OF THE VOTERS VOTING ON THE RESOLUTION
9 VOTE FOR THE VIDEO LOTTERY FACILITY, THE COMMISSION MAY CONSIDER
10 AWARDING A VIDEO LOTTERY FACILITY LICENSE FOR A VIDEO LOTTERY FACILITY IN
11 THAT COUNTY.

12 (8) IF THE MAJORITY OF THE VOTERS VOTING ON THE RESOLUTION
13 VOTE AGAINST THE VIDEO LOTTERY FACILITY, THEN THE RESOLUTION SHALL BE
14 NULL AND VOID AND THE COMMISSION MAY NOT AWARD A VIDEO LOTTERY FACILITY
15 LICENSE FOR A VIDEO LOTTERY FACILITY IN THAT COUNTY.

16 **Article - Financial Institutions**

17 13-709.1.

18 THE AUTHORITY MAY ENTER INTO CONTRACTS FOR PROJECTS FOR THE
19 CONSTRUCTION, RENOVATION, REMODELING, OR REPAIR OF HORSE RACING TRACKS
20 AND RELATED FACILITIES AS DESCRIBED IN § 9-1A-09(A) OF THE STATE
21 GOVERNMENT ARTICLE.

22 SECTION 3. AND BE IT FURTHER ENACTED, That if any provision of this
23 Act or the application thereof to any person or circumstance is held invalid for any
24 reason in a court of competent jurisdiction, the invalidity does not affect other
25 provisions or any other application of this Act which can be given effect without the
26 invalid provision or application, and for this purpose the provisions of this Act are
27 declared severable.

28 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 June 1, 2003.